

THE CITY OF TAYLORSVILLE
2600 West Taylorsville Boulevard (5320 South)
Taylorsville, UT 84118

Request for Proposals

Financial Audit Services

Due May 16, 2005, at 3:00 p.m.

1. **Introduction.** The City of Taylorsville (the “City”) is requesting proposals (“Proposals” or “Responses”) from qualified proposers (“Proposers” or “Consultants”) to provide financial auditing services (the “Services”) for the City (collectively the “Project”).

1.1. **Intent.** It is the intent of this Request for Proposals (this “Request”) to set forth the minimum acceptable requirements for Responses to this Request.

2. **Detailed Description of Services.** Services include an independent audit of the City’s financial statements for the fiscal year ending June 30, 2005, and it is anticipated that if the selected Consultant performs the June 30, 2005 audits to the satisfaction of the City Council that the Consultant will be engaged to perform the audits for the fiscal years ending June 30, 2006, June 30, 2007 and June 30, 2008. Services include, but are not limited to, a compliance report based on an audit of general purpose or basic financial statements; a report on internal control structures; a statement expressing positive assurance of compliance with applicable state fiscal laws and financial issues related to expenditures of federal, state, and local funds; a comprehensive management letter, including the Consultant’s findings and recommendations regarding internal accounting and administrative controls and compliance with applicable laws and regulations; written response from the City for each recommendation included in the compliance and management letter; examination of financial system and records as they relate to various federal grants and agreements regarding internal and administrative controls and compliance with applicable laws and regulations; a comprehensive annual fiscal report; and subject to agreement on a fee additional audits and reviews as directed by the Council (for example an audit of the security of electronic records and documents). Services must be in compliance with all applicable private, quasi-governmental and governmental statutes, regulations, rules, promulgation, etc. including but not limited to generally acceptable auditing standards, the General Accounting Offices (GAO) Government Auditing Standards, the Single Audit Act of 1984, and the U.S. Office of Management Circular A-128. The audit for the fiscal year ending June 30, 2005, must be completed and issued prior to September 15, 2005, and the Consultant must deliver 20 complete copies to the City. The Consultant will be required to meet and/or make presentations to a citizen’s advisory committee known as the Budget Committee and to the City Council at a regular City Council meeting. More details regarding the Services and additional background information are described in Exhibit “A” attached hereto.

3. **Proposal Requirements.** Eight (8) copies of Responses are required to be submitted to Pat Quintana as listed below no later than 3:00 p.m. on May 16, 2005. Any response, modification, or amendment received after the due date and time is late. No late Responses will be accepted. No electronic Responses (facsimile, e-mail, or telegraphic) will be

accepted. Proposals must include the following elements and be signed by an authorized representative of the Proposer:

3.1. Introductory Letter. An introductory letter expressing an interest to provide the Services, an affirmative statement that the Consultant is independent of the City as defined by general acceptable auditing standards and the GAO, an affirmative statement that the Consultant and all assigned key professional staff are properly licensed to practice in the State of Utah, an affirmative statement that the Consultant meets the applicable continuing education and external quality control review requirements, and an affirmative statement that the Consultant carries professional liability insurance and the amount of such insurance. The introductory letter should be addressed to:

Pat Quintana
City Administrator's Office
TAYLORSVILLE CITY
2600 West Taylorsville Blvd.
Taylorsville, UT 84118

Include an e-mail address for the primary contact of the Consultant.

3.2. Experience and Qualifications. Describe, in sufficient detail, the Proposer's experience and qualifications to provide the Services, local office auditing experience for similar type entities and references (note the City may contact the references). Listing personnel in the Response that will provide the Services constitutes the Consultant's agreement that such personnel will actually provide the Services.

3.3. Audit Approach. Describe, in sufficient detail, the proposed approach to provide the Services. Submit a general audit work plan to accomplish the scope of the audit. The work plan should detail reporting deadlines, work requirements and a schedule of events for both the Consultant and City staff with respect to pre audit preparation, the formal audit, and presentation of the audit findings, management response and CAFR.

3.4. Price. Detail the proposed all-inclusive fee for the Services contemplated herein, which include, but is not limited to, all costs, materials, expenses, and supplies. The proposed all-inclusive fee should include the billable rates and hours of participation of partners, specialists, supervisory and staff, including any special services. It is anticipated that if the selected Consultant performs the June 30, 2005 audit to the satisfaction of the City Council that the Consultant will be engaged to perform the audits for the succeeding three (3) years. Therefore, include an all-inclusive not-to-exceed fee for the fiscal years ending June 30, 2006, June 30, 2007 and June 30, 2008.

3.5. Actions. Summarize any disciplinary actions, identifying the regulatory bodies or professional organizations involved, and all suits by or against the Consultant and related entities during the past three (3) years.

3.6. Request Format Requirements. A general guideline for Responses is attached as Exhibit "B."

4. **Identification of Anticipated Potential Problems.** Proposals should identify and describe any potential problems with respect to the Project or providing the Services.

5. **Evaluation Criteria and Scoring Process.** All Proposals received will be reviewed by a selection committee (defined below). Each evaluation criterion has been given a percentage based on its relative value as a whole. The criteria and each associated percentage is as follows:

<u>Evaluation Criteria</u>	<u>Weight</u>
Experience and Qualifications	30%
Audit Approach	30%
Price	<u>40%</u>
TOTAL	100%

6. **Selection.** Discussions may be conducted with Proposers determined by the City to be reasonably susceptible of being selected for the award. In addition, one or more Proposers may be invited to interview or make an oral presentation. Provided; however, Proposals may be accepted without discussion, interview, or oral presentation. A selection committee or individual(s) will be appointed by the City Council (referred to hereinafter as "*Selection Committee*"). The Selection Committee reserves the right to modify the interview or oral presentation criteria during the course of this process. If such modification occurs, each Proposer being interviewed or invited to give an oral presentation will be notified at least twenty-four (24) hours prior to the interview or oral presentation of the revised criteria. Based on the results of discussions, if any, interviews, if any, oral presentations, if any, reference checks, and proposal scoring, the Proposers will be rated by the Selection Committee, and such recommendations will be forwarded to the City Council. The City Council will make the final selection. The City Council may select one or more Proposers to provide the Services.

7. **Pre Response Meeting.** A meeting is scheduled for May 9, 2005, at 3:00 p.m., at the City offices located at 2600 West Taylorsville Boulevard (5320 South), Taylorsville, Utah, in Room 140 (City Council Chambers), to provide general information regarding the Services. Attendance at this meeting is strongly recommended. A written summary of the meeting will not be prepared or distributed. Nothing stated at the meeting shall change this Request unless a written amendment to the Request is issued. Proposers planning to attend the pre response meeting should notify (RSVP) Patricia Quintana at 963-5400 prior to the pre response meeting.

8. **General Information.** The City reserves the right to reject any and all Responses. The City reserves the right to amend, modify or waive any requirement set forth in this Request. Response to this Request is at the Proposer's sole risk and expense. Except for written responses provided by the contact person described below, the City has not authorized anyone to make any representations regarding the subject matter of this Request. All requests for clarification or additional information regarding this Request must be submitted in writing to the contact person described below no later than May 13, 2005, at 3:00 p.m. The contact person will endeavor to respond to such request for clarification or additional information and if the contact

person deems, in his sole and absolute discretion, that such response is of general applicability, his response, if any, will be posted on the City's website at <http://www.taylorsvilleut.gov> (which constitutes a written response). Entities responding to this Request are encouraged to review such website frequently. The City anticipates selecting one or more of the responding Proposers, but there is no guaranty that any responding Proposer will be selected. Responses will be placed in the public domain and become public records subject to examination and review by any interested parties in accordance with the Government Record Excess Management Act (UTAH CODE ANN. § 63-2-101, *et seq.*). All materials submitted in response to this Request will become the property of the City and will be managed in accordance with the Government Record Access Management Act.

9. **Terms of Contract.** The successful Consultant will be required to enter into a written agreement with the City to provide the Services. If the successful Consultant performs the June 30, 2005 audits to the satisfaction of the City Council, it is anticipated that the same Consultant will be engaged to perform the audit for the succeeding three (3) years, subject to an annual evaluation and City Council appropriation. All provisions of the agreement will be in compliance with applicable laws, rules and regulations. If the selected Proposer and the City are unable to negotiate an acceptable agreement, then another Proposer(s) will be selected by the City Council and negotiation will continue with such subsequent Proposer(s) until an acceptable agreement is completed.

10. **Contact Person.** For further information or for American with Disabilities Act (ADA) accommodation, contact John Inch Morgan, City Administrator (801) 963-5400, 2600 West Taylorsville Boulevard, Taylorsville, UT 84118.

Exhibit “A”

1. **Report Format.** The proposal should include a copy of a representative report from one of your clients considered by your firm to be of similar size and complexity to Taylorsville City. A clear indication should be made in your proposal if your firm anticipates using any notable deviation from what would be considered “standard” formats for required reports. Minimal requirements are general purpose financial statements (GPFS), including the auditor’s opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles (GAAP) which, when combined with the introductory and statistical sections, will become the Comprehensive Annual Financial Report (CAFR), a report on the internal control structure based on the auditor’s understanding of the control structure and assessment of control risk, and a report on compliance with applicable laws and regulations.
2. **Description of the Government.**
 - a. *Name and Telephone Number of Contact Person and Organizational Charts.*
 - i. John Inch Morgan, City Administrator/City Treasurer, serves as facilitator for the consultant selection committee, and is the principal contact for questions regarding the selection process.
 - ii. An organizational chart of the City is attached as Appendix A.
 - b. *Background Information.*
 - i. The City of Taylorsville is a City of the Third Class as designated by Utah law and has been in existence since July 1, 1996. The city’s fiscal year begins July 1, and ends on June 30 of the following year. A number of municipal services are performed under contract with Salt Lake County and private contractors.
 - ii. The City of Taylorsville has a budget of approximately \$18M with 90 employees including a full-time Mayor and five part-time City Council members.
 - iii. Taylorsville is organized into four budgetary units. The accounting and financial reporting functions of the City are centralized. More detailed information of the government and its finances is available at the City Offices.
 - c. *Budgetary Basis of Accounting.*

- i. The City Council adopts the annual City Budget, which is prepared by the Mayor on the budgetary basis in accordance with Utah law, where encumbrances are included as obligations.
 - ii. The City uses Caselle, a computer software system that integrates budgetary controls in a General Ledger Accounting system.
 - iii. Cash and investment records are maintained in the Administrative Services Department as part of the General Ledger.
- d. *Notification.* Following the full execution and delivery of a contract for services, the Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Mayor, City Administrator, City Council, and other designated City Officials.
- e. *Working Paper Retention and Access to Working Papers.* All working papers and reports must be retained, at the auditor's expense, for a minimum of three years from the date of each audit, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

The City of Taylorsville Council Offices

The City of Taylorsville Executive/Administrative Offices

United States Department of Housing and Urban Development

United States General Accounting Office (GAO) Parties designated by the federal or state governments or by the City as part of an audit quality review process, and auditors of entities of which the City is a recipient of grant funds. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

3. Time Requirements.

- a. *Date Audit Fieldwork May Commence.* Work may begin immediately upon full execution and delivery of the contract for Services.
 - i. *Interim Work.* Interim work may be scheduled at any time convenient to both parties; however, interim work should be complete by the time the trial balance is provided to the auditors by City staff.

- ii. *Detailed Audit Plan.* On an annual basis, the auditor will provide the City a detailed audit plan and a list of all schedules to be prepared by the City at the entrance conference.
- b. *Entrance Conferences, Progress Reporting and Exit Conferences.* An entrance conference with the City Council Chairman, Mayor, the City Administrator/City Treasurer and Director of Finance will be held to discuss prior audit problems, the interim work to be performed, and any anticipated audit issues. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor.
 - i. Progress conferences with the city liaison and key financial staff will be held to determine the progress in relation to the schedule, the coordination of fieldwork with staff and access of financial records.
 - ii. An Exit Conference with the Chairman of the City Council, the Mayor, the City Administrator/City Treasurer, and the Director of Finance will be held for the purpose of reviewing the results of the audit and to consider any recommendations made by the auditor.

JNB\T\1065

Exhibit “B” [Guidelines]

Number Responses sequentially on the upper right hand corner of the cover.

Color is allowed.

8-1/2" x 11" page sizes.

One (1) inch margins (exceptions: Consultant Name/Logo and Page Headers/Footers may be within margins).

Size 12 Font.

Bind RFP on left side.

Tabbed sections (limit information on tabs to section identification, project number, project description, consultant name/logo, and/or un-enhanced photographs).

Front and back cover pages are encouraged.

Generally, Responses do not have a maximum page limit.

CERTIFICATION

The undersigned Proposer certifies that it has not:

1. Provided an illegal gift or payoff to a City officer or employee or former City officer or employee or his or her relative or business entity;
2. Retained any person to solicit or secure this contract upon an agreement or understanding for commission, percentage, brokerage, or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; or
3. Knowingly influenced and hereby promised that it will not knowingly influence and City officer or an employee or former City officer or employee to break any applicable ethical standard or rules.

The undersigned Proposer certifies that:

1. The Proposal is made in good faith.
2. The Proposal is made in conformity with the specifications and qualifications contained in the Request.

Name of Proposer: _____

Name of Authorized Representative: _____

Signature of Authorized Representative: _____

Address: _____

City/State/Zip: _____

Telephone Number: _____

Fax Number: _____

Web Site Address: _____

Email Address: _____

Date Signed: _____